



# **Summer 2003**

Presentation to  
**Indiana Utility Regulatory Commission**  
May 2, 2003

# System Peak

## ■ Summer - 1,093 MW

- ✓ HE 18:00 on August 1 and HE 17:00 on August 3, 2002

## ■ Winter - 1,108 MW

- ✓ HE 08:00 on January 27, 2003

# Projected Summer Peaks (MW)

| <b>Load</b>                           | <b>Jun</b>        | <b>Jul</b>        | <b>Aug</b>        |
|---------------------------------------|-------------------|-------------------|-------------------|
| <b>Members and<br/>Troy Municipal</b> | <b>1,044</b>      | <b>1,121</b>      | <b>1,083</b>      |
| <b>WVPA</b>                           | <b><u>204</u></b> | <b><u>231</u></b> | <b><u>210</u></b> |
| <b>Total Requirements</b>             | <b>1,248</b>      | <b>1,352</b>      | <b>1,293</b>      |

# Projected Resources (MW)

| <b>Resource</b>                           | <b>Jun</b>        | <b>Jul</b>       | <b>Aug</b>       |
|---|-------------------|------------------|------------------|
| <b>Merom (net of<br/>unit power sale)</b> | <b>600</b>        | <b>600</b>       | <b>600</b>       |
| <b>Ratts</b>                              | <b>244</b>        | <b>244</b>       | <b>244</b>       |
| <b>Worthington</b>                        | <b>174</b>        | <b>174</b>       | <b>174</b>       |
| <b>Forwards/Options</b>                   | <b>100</b>        | <b>250</b>       | <b>250</b>       |
| <b>Other Mkt. Purch.</b>                  | <b><u>130</u></b> | <b><u>84</u></b> | <b><u>25</u></b> |
| <b>Total Resources</b>                    | <b>1,248</b>      | <b>1,352</b>     | <b>1,293</b>     |

# Projected Resources

## ■ Owned Generation

- ✓ Expect Merom and Ratts units to be fully operational
- ✓ Worthington peaking facility available

## ■ Market Purchases

- ✓ Forwards
- ✓ Options
- ✓ Other Purchases

# **Risk Management Strategies**

- **Unit Contingent Insurance**
- **Temporary Cooling Towers**
- **Summer Preparation Outages**
- **Weather Derivatives**

# ACE USA (Cigna)

- **Unit contingent insurance**
- **Covers peak summer months**
- **\$100 per MWh strike price**
- **300 MW per Merom unit**
- **125 MW per Ratts unit**

# Cooling Towers

- **Leased for the Ratts units**
- **Removes risk of plant de-rates due to river temperatures**



# Summer Preparation Outages

- **Schedule unit outages to prepare for summer operation**
- **Air heater cleaning, condenser cleaning, etc.**

# Interruptible Load

- **One 3 MW customer**
- **Might have another 5 MW available this summer**
- **Tariff to members provides off-peak incentive**

# Distributed Generation Project

- **Units removed**
- **Current market does not support**
- **Space remains available at Fairview and Midway substations**

# Transmission Status

- **Under normal operating conditions, transmission constraints are not expected on Hoosier system.**
- **Two significant projects:**
  - ✓ Troy Primary
  - ✓ Upgrade Ramsey Primary